

Sweden

13th Directive (86/560/EEC) VAT refunds

I. RECIPROCITY AGREEMENTS – ARTICLE 2(2)

1. Does your country have any reciprocity agreements?

No, Sweden provides for refund to foreign companies from around the world. The principle of reciprocity is not applied.

2. If yes, what countries are included in the reciprocity agreements?

Not applicable.

3. What is the equivalent third country tax to which the reciprocity agreements relate?

Not applicable.

4. What goods and services are allowable under the reciprocity agreements?

Not applicable.

5. Are there any specific or additional rules applicable in relation to the reciprocity agreements?

Not applicable.

6. If your country has no reciprocity agreements, do you still allow refunds?

Yes, Sweden refund VAT to foreign companies from around the world.

II. TAX REPRESENTATIVES – ARTICLE 2(3)

7. Does your country require the appointment of a tax representative?

No, there is no need for the foreign company requesting refund of Swedish VAT to appoint a tax representative. Refund of Swedish VAT is normally made to a designated bank account, no matter in which country this account is established.

8. What conditions are imposed when appointing a tax representative?

Not applicable.

III. REFUND ARRANGEMENTS – ARTICLE 3(1)

9. What are the time limits that are applied for making a claim?

Applications covering the year 2006 must have been received by the Swedish Tax Agency by 30 June 2007. This applies to applications coming from other EU Member States as well as those received from a third country.

10. What periods are eligible for a refund?

The application shall cover a period of at least three consecutive calendar months. If the application covers the end of a year, the period covered by the application may be shorter than three months. An application may not cover two or more calendar years.

11. Where shall the applications be made?

If the request is from the Faroe Islands, Iceland or Greenland, the application shall be made to the foreign relations department of the Swedish Tax Agency in Malmo. Other requests must be made to the foreign relations department of the Swedish Tax Agency in Stockholm.

12. What is the minimum amount of VAT that can be refunded?

If the application covers the end of the year or the whole year, the minimum amount of VAT is SEK 250. In other cases, the minimum amount is SEK 2 000. It should be noted that this relates to the amount decided rather than that requested.

13. How can the applicant receive an application form?

The application forms SKV 5801 and SKV 5811 are available on the website of the Swedish Tax Agency www.skatteverket.se. If the Swedish Tax Agency is contacted, it is also possible to obtain these forms via e-mail or through normal post or by fax. Form SKV 5801 is used by applicants who have to submit the application to the foreign relations department in Stockholm while form SKV 5811 is used by applicants submitting the application to the foreign relations department in Malmo.

14. What languages may be used for completion of the form?

Application forms SKV 5801 and SKV 5811 are available in Swedish as well as English.

15. What information is requested on the application form? Please could you provide a copy of the form or a website link?

Please see attached links:

SKV 5801

<http://www.skatteverket.se/blanketterbroschyror/blankett/info/5801.4.39f16f103821c58f680007004.html>

SKV 5811:

<http://www.skatteverket.se/blanketterbroschyror/blankett/info/5811.4.deeebd104898a3a9c80004748.html>

16. Is any information optional? If yes, what information?

No, this is an established application form which needs to be correctly filled.

17. Who is authorised to sign the application form?

The application form must be signed by the responsible person acting on behalf of the company. It may even be signed by an authorised representative. In that case, the original of a valid power of attorney authorising the representative to deal with this application is however called for.

18. What evidence is required to support an application?

In general, it is required that the application contains original invoices which are then returned once a decision is taken. For applications from other EU Member States, a VAT registration certificate which is not more than one year old needs to be produced. For applications from third countries, it is sufficient to produce a business certificate no older than one year. If the application is submitted by a representative who has been authorised to do so, the original power of attorney needs to be included. It is also necessary for the applicant to produce a list with the names of persons featuring on the invoices, which must accompany the application. Where VAT covered by the application relates to costs where the reverse charge has been applied, documentation by which the purchaser of the goods or the services may be identified must be sent alongside the application. An example of such documentation would be copies of invoices issued by the applicant to his customers.

19. What time-limits does your country apply to making a refund?

It is the aim to start the examination within six months of receipt of the application and – provided the application is complete – to reach a decision within that same period. In recent years, the average time spent on this examination has however been much shorter, normally between two and three months.

IV. ELIGIBILITY– ARTICLE 4(2)

20. Are there any other conditions applicable?

Not in ordinary cases.

21. Are certain types of expenditure excluded and if so which?

The general rule is that VAT is refunded to foreign companies if it would be deductible for a company which is registered for VAT in Sweden. It is normally so that:

- VAT on car leasing is refunded by 50%,
- VAT on invoices issues to someone other than the applicant is not refunded,
- VAT which is unrelated to the business of the applicant is not refunded,
- VAT relating to private expenses is not refunded,
- VAT incurred by travel agents in respect of goods or services which are for the direct benefit of the traveller such as hotel rooms, catering and passenger transport are not refunded,
- VAT on goods which have been purchased and sold on to private individuals in Sweden is not refunded.

With regard to the refund of VAT which relates to entertainment expenses, a direct link between the cost and the applicant's business is required. Refunds are not given for the cost of private living expenses or personal hospitality. For the documentation, the names of the participants and the company they are representing must be indicated. When, in connection with entertainment, expenses VAT is refunded on meals, the lunch, the dinner and the formal dinner but is limited to SEK 22.50 per person/meal.

V. MAJOR DIFFERENCES BETWEEN REFUNDS UNDER THE 13TH AND THE 8TH (79/1072/EEC) DIRECTIVE

22. What are the main procedural differences between applying for a VAT refund based on the 8th Directive and a refund based on the 13th Directive?

As mentioned, a VAT registration certificate which is not more than one year old needs to be produced when applications are made from another EU Member State. For application from third countries, it is sufficient to produce a business certificate not older than one year. A VAT identification certificate is not required for applications from third countries because VAT is not a national tax in all countries.

In cases C-302/93, *Debouche*, and C-136/99, *Société Monte Dei Paschi di Siena*, the Court of Justice has, as the Swedish Tax Agency reads it, concluded that it must be required that the turnover to which the VAT covered by the application relates is normally taxable in the country in which the turnover takes place. Should the turnover not be taxable in the country where it is made, there will be no right of refund. This rule has been introduced in Article 1 of Chapter 10 of the Swedish VAT Act (1994:200). As VAT cannot be found in all countries, this requirement only applies to turnover which is made in EU Member States. Turnover made in a third country is therefore not affected by this requirement.

23. Do certain types of expenditure give rise to refund under the 8th Directive but not under the 13th Directive? If yes, please specify the types of expenditure.

No. It is generally so that refunds made under the 8th Directive are not more generous than those made under the 13th Directive.